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ANNUAL STATEMENT

For the Year Ended December 31, 2015

of the Condition and Affairs of the

FIRST SURETY CORPORATION

NAIC Group Code..... 0, 0 (Current Period) (Prior Period) | NAIC Company Code..... 38504 | Employer's ID Number..... 34-1296403

Organized under the Laws of WV | State of Domicile or Port of Entry WV | Country of Domicile US

Incorporated/Organized..... November 19, 1979 | Commenced Business..... November 19, 1979

Statutory Home Office	300 SUMMERS STREET SUITE #970….. CHARLESTON ..... WV .... 25301 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	300 SUMMERS STREET SUITE #970….. CHARLESTON ..... WV .... *(Street and Number) (City or Town, State, Country and Zip Code)*	304-720-1985 *(Area Code) (Telephone Number)*
Mail Address	300 SUMMERS STREET SUITE #970….. CHARLESTON ..... WV .... *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	300 SUMMERS STREET SUITE #970….. CHARLESTON ..... WV .... *(Street and Number) (City or Town, State, Country and Zip Code)*	304-720-1985 *(Area Code) (Telephone Number)*
Internet Web Site Address		
Statutory Statement Contact	ROBERT J KENNEY *(Name)*	304-720-1985 *(Area Code) (Telephone Number) (Extension)*
	RJ.Kenney@FirstSuretyCorp.com *(E-Mail Address)*	304-342-9726 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. ROBERT JOSEPH KENNEY	PRESIDENT	2. ROBERT JOSEPH KENNEY	TREASURER
3. TIMOTHY ALLEN MADDOX	SECRETARY	4.	

OTHER

DIRECTORS OR TRUSTEES

LINDA JANE AGUILAR	BRADLEY WAYNE TUCKWILLER	JOHN MICHAEL JACOBS	TIMOTHY ALLEN MADDOX
CHARLES DAVID THOMAS			

State of........
County of.....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
ROBERT JOSEPH KENNEY	ROBERT JOSEPH KENNEY	TIMOTHY ALLEN MADDOX
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
PRESIDENT	TREASURER	SECRETARY
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ______ day of ______ 2016

a. Is this an original filing? Yes [X] No [ ]
b. If no
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	7,376,902		7,376,902	6,839,065
2. Stocks (Schedule D):				
2.1 Preferred stocks	93,810		93,810	153,610
2.2 Common stocks	936,623		936,623	1,040,117
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....477,121, Schedule E-Part 1), cash equivalents ($..........0, Schedule E-Part 2) and short-term investments ($.....3,788,375, Schedule DA)	4,265,496		4,265,496	1,899,025
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	12,672,831	0	12,672,831	9,931,817
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	61,955		61,955	47,328
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	96,040	68,870	27,170	33,197
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($..........0) and contracts subject to redetermination ($..........0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	505,258		505,258	
18.2 Net deferred tax asset	142,428	56,711	85,718	140,707
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	933		933	1,492
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	242,066	214,916	27,150	98,042
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	13,721,512	340,497	13,381,015	10,252,584
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	13,721,512	340,497	13,381,015	10,252,584

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expense	42,029	42,029	0	(0)
2502. State Licenses	150,000	150,000	0	
2503. Automobile			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	50,037	22,888	27,150	98,042
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	242,066	214,916	27,150	98,042

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	1,817,042	1,390,383
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)		
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	479,148	188,309
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	12,164	8,915
7.1	Current federal and foreign income taxes (including $.....2,051 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $.........0 and interest thereon $.........0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....219,070 and including warranty reserves of $.........0 and accrued accident and health experience rating refunds including $.........0 for medical loss ratio rebate per the Public Health Service Act)	431,992	18,361
10.	Advance premium	159,638	123,880
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		420,000
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	5,409,022	2,176,280
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including $..........0 certified) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	19,828	60,619
20.	Derivatives	29,015	17,257
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $..........0 and interest thereon $.........0		
25.	Aggregate write-ins for liabilities	0	0
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	8,357,848	4,404,004
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	8,357,848	4,404,004
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	1,000,000	1,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	4,522,086	4,522,086
35.	Unassigned funds (surplus)	(498,919)	326,494
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $.........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $.........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	5,023,167	5,848,580
38.	TOTALS (Page 2, Line 28, Col. 3)	13,381,015	10,252,584

DETAILS OF WRITE-INS

2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	896,742	899,196
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7)	901,659	163,707
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	702,258	669,987
5.	Aggregate write-ins for underwriting deductions	0	(98,000)
6.	Total underwriting deductions (Lines 2 through 5)	1,603,917	735,694
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(707,174)	163,502
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	230,253	190,625
10.	Net realized capital gains (losses) less capital gains tax of $.....2,051 (Exhibit of Capital Gains (Losses))	3,982	36,017
11.	Net investment gain (loss) (Lines 9 + 10)	234,235	226,642
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $..........0 amount charged off $.....459,634)	(459,634)	
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	(241,520)	(138,289)
15.	Total other income (Lines 12 through 14)	(701,154)	(138,289)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(1,174,093)	251,855
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(1,174,093)	251,855
19.	Federal and foreign income taxes incurred	(411,798)	19,517
20.	Net income (Line 18 minus Line 19) (to Line 22)	(762,295)	232,337
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	5,848,581	6,068,510
22.	Net income (from Line 20)	(762,295)	232,337
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $..........0	(85,048)	(40,607)
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	(53,728)	103,174
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	248,658	(316,833)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(173,000)	(198,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(825,413)	(219,929)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	5,023,168	5,848,581

DETAILS OF WRITE-INS

0501.	No Claims Bonus under terms of reinsurance treaty		(98,000)
0502.	Change in Ceded Losses Outstanding		
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	(98,000)
1401.	Other Income (Expense)	(308,149)	(138,289)
1402.	Penalties	(5,000)	
1403.	Net gain from commissions forgiven on premium balances charged off	71,629	
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(241,520)	(138,289)
3701.			
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	1,171,212	537,899
2.	Net investment income	314,791	289,974
3.	Miscellaneous income	(701,154)	(40,289)
4.	Total (Lines 1 through 3)	784,849	787,584
5.	Benefit and loss related payments	586,811	83,067
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	323,169	561,945
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....2,051 tax on capital gains (losses)	95,511	42,545
10.	Total (Lines 5 through 9)	1,005,492	687,556
11.	Net cash from operations (Line 4 minus Line 10)	(220,642)	100,028
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	1,578,386	2,669,514
	12.2 Stocks	1,096,255	461,303
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	(27,182)	(20,003)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,647,460	3,110,814
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	2,217,913	3,783,709
	13.2 Stocks	982,570	1,179,928
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	3,200,484	4,963,636
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(553,024)	(1,852,823)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	173,000	198,000
	16.6 Other cash provided (applied)	3,313,137	218,768
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	3,140,137	20,768
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	2,366,471	(1,732,026)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	1,899,025	3,631,052
	19.2 End of year (Line 18 plus Line 19.1)	4,265,496	1,899,025

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				0
2.	Allied lines				0
3.	Farmowners multiple peril				0
4.	Homeowners multiple peril				0
5.	Commercial multiple peril				0
6.	Mortgage guaranty				0
8.	Ocean marine				0
9.	Inland marine				0
10.	Financial guaranty				0
11.1	Medical professional liability - occurrence				0
11.2	Medical professional liability - claims-made				0
12.	Earthquake				0
13.	Group accident and health				0
14.	Credit accident and health (group and individual)				0
15.	Other accident and health				0
16.	Workers' compensation				0
17.1	Other liability - occurrence				0
17.2	Other liability - claims-made				0
17.3	Excess workers' compensation				0
18.1	Products liability - occurrence				0
18.2	Products liability - claims-made				0
19.1, 19.2	Private passenger auto liability				0
19.3, 19.4	Commercial auto liability				0
21.	Auto physical damage				0
22.	Aircraft (all perils)				0
23.	Fidelity				0
24.	Surety	1,310,373	18,361	431,992	896,742
26.	Burglary and theft				0
27.	Boiler and machinery				0
28.	Credit				0
29.	International				0
30.	Warranty				0
31.	Reinsurance - nonproportional assumed property				0
32.	Reinsurance - nonproportional assumed liability				0
33.	Reinsurance - nonproportional assumed financial lines				0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	1,310,373	18,361	431,992	896,742

DETAILS OF WRITE-INS

3401.					0
3402.					0
3403.					0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence					0
17.2	Other liability - claims-made					0
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability					0
19.3, 19.4	Commercial auto liability					0
21.	Auto physical damage					0
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety	431,174	818			431,992
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	431,174	818	0	0	431,992
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					431,992

DETAILS OF WRITE-INS

		1	2	3	4	5
3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case: montrhly amortization

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril						0
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine						0
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made						0
12.	Earthquake						0
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation						0
17.1	Other liability - occurrence						0
17.2	Other liability - claims-made						0
17.3	Excess workers' compensation						0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability						0
19.3, 19.4	Commercial auto liability						0
21.	Auto physical damage						0
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety	1,353,262				42,889	1,310,373
26.	Burglary and theft						0
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX					0
32.	Reinsurance - nonproportional assumed liability	XXX					0
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	1,353,262	0	0	0	42,889	1,310,373

DETAILS OF WRITE-INS

3401.							0
3402.							0
3403.							0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $..........0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $..........0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0			0	0.0
2.	Allied lines				0			0	0.0
3.	Farmowners multiple peril				0			0	0.0
4.	Homeowners multiple peril				0			0	0.0
5.	Commercial multiple peril				0			0	0.0
6.	Mortgage guaranty				0			0	0.0
8.	Ocean marine				0			0	0.0
9.	Inland marine				0			0	0.0
10.	Financial guaranty				0			0	0.0
11.1	Medical professional liability - occurrence				0			0	0.0
11.2	Medical professional liability - claims-made				0			0	0.0
12.	Earthquake				0			0	0.0
13.	Group accident and health				0			0	0.0
14.	Credit accident and health (group and individual)				0			0	0.0
15.	Other accident and health				0			0	0.0
16.	Workers' compensation				0			0	0.0
17.1	Other liability - occurrence				0			0	0.0
17.2	Other liability - claims-made				0			0	0.0
17.3	Excess workers' compensation				0			0	0.0
18.1	Products liability - occurrence				0			0	0.0
18.2	Products liability - claims-made				0			0	0.0
19.1, 19.2	Private passenger auto liability				0			0	0.0
19.3, 19.4	Commercial auto liability				0			0	0.0
21.	Auto physical damage				0			0	0.0
22.	Aircraft (all perils)				0			0	0.0
23.	Fidelity				0			0	0.0
24.	Surety	475,000			475,000	1,817,042	1,390,383	901,659	100.5
26.	Burglary and theft				0			0	0.0
27.	Boiler and machinery				0			0	0.0
28.	Credit				0			0	0.0
29.	International				0			0	0.0
30.	Warranty				0			0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0			0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX			0			0	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	475,000	0	0	475,000	1,817,042	1,390,383	901,659	100.5

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8
3401.					0			0	0.0
3402.					0			0	0.0
3403.					0			0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire				0				0	
2.	Allied lines				0				0	
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril				0				0	
5.	Commercial multiple peril				0				0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine				0				0	
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0				0	
12.	Earthquake				0				0	
13.	Group accident and health				0				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation				0				0	
17.1	Other liability - occurrence				0				0	
17.2	Other liability - claims-made				0				0	
17.3	Excess workers' compensation				0				0	
18.1	Products liability - occurrence				0				0	
18.2	Products liability - claims-made				0				0	
19.1, 19.2	Private passenger auto liability				0				0	
19.3, 19.4	Commercial auto liability				0				0	
21.	Auto physical damage				0				0	
22.	Aircraft (all perils)				0				0	
23.	Fidelity				0				0	
24.	Surety			84,700	(84,700)	1,901,742			1,817,042	
26.	Burglary and theft				0				0	
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	0	0	84,700	(84,700)	1,901,742	0	0	1,817,042	0

DETAILS OF WRITE-INS

3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including $..........0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct				0
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	0	0	0	0
2. Commission and brokerage:				
2.1 Direct, excluding contingent		234,281		234,281
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent				0
2.4 Contingent - direct				0
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	234,281	0	234,281
3. Allowances to manager and agents				0
4. Advertising		150		150
5. Boards, bureaus and associations		9,046		9,046
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries		151,216	38,887	190,103
8.2 Payroll taxes		11,897	2,978	14,875
9. Employee relations and welfare		5,006	6,697	11,702
10. Insurance		3,943	363	4,306
11. Directors' fees		4,313	187	4,500
12. Travel and travel items		15,355		15,355
13. Rent and rent items		10,995	5,259	16,254
14. Equipment		4,197	689	4,886
15. Cost or depreciation of EDP equipment and software		536	23	560
16. Printing and stationery		1,555	630	2,185
17. Postage, telephone and telegraph, exchange and express		3,850	2,953	6,803
18. Legal and auditing		100,923	1,803	102,726
19. Totals (Lines 3 to 18)	0	322,981	60,469	383,450
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $..........0		40,598		40,598
20.2 Insurance department licenses and fees		7,250		7,250
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)		259	686	945
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	48,107	686	48,793
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	96,889	104	96,993
25. Total expenses incurred	0	702,258	61,259	(a) 763,517
26. Less unpaid expenses - current year		114,050	4,113	118,163
27. Add unpaid expenses - prior year		144,986	4,414	149,400
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	0	733,193	61,560	794,754

DETAILS OF WRITE-INS

	1	2	3	4
2401. Other miscellaneous expense		9,309	104	9,414
2402. Consutling expense		84,394		84,394
2403. Membership dues and other in trade associations		3,186		3,186
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	96,889	104	96,993

(a) Includes management fees of $..........0 to affiliates and $..........0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 126,430	123,092
1.1	Bonds exempt from U.S. tax	(a) 114,009	131,976
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 6,626	6,626
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	31,601	31,601
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 57	57
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	278,723	293,351
11.	Investment expenses		(g) 60,573
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 686
13.	Interest expense		(h) 1,838
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		63,097
17.	Net investment income (Line 10 minus Line 16)		230,253
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $..........0 accrual of discount less $.....99,466 amortization of premium and less $.....24,370 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued dividends on purchases.
(c) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(d) Includes $..........0 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(f) Includes $..........0 accrual of discount less $..........0 amortization of premium.
(g) Includes $..........0 investment expenses and $..........0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $..........0 interest on surplus notes and $..........0 interest on capital notes.
(i) Includes $..........0 depreciation on real estate and $..........0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds			0		
1.1	Bonds exempt from U.S. tax	(2,224)		(2,224)		
1.2	Other bonds (unaffiliated)			0		
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	(1,626)		(1,626)	1,985	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	37,064		37,064	(87,033)	
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments	(27,182)		(27,182)		
8.	Other invested assets			0		
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	6,033	0	6,033	(85,048)	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	68,870	307,923	239,054
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	56,711	55,449	(1,262)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	214,916	225,782	10,866
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	340,497	589,154	248,658
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	340,497	589,154	248,658

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses	42,029	35,546	(6,483)
2502. State Licenses	150,000	150,000	0
2503. Automobile		2,367	2,367
2598. Summary of remaining write-ins for Line 25 from overflow page	22,888	37,869	14,981
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	214,916	225,782	10,866

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

First Surety Corporation ("Company") operates as a surety targeting the energy industries primarily in the Eastern United States. Currently the Company is licensed for the surety line (and other lines) of business in Ohio and West Virginia, with an inactive license in Indiana. On December 31, 2005 all of the stock of West Virginia Fire and Casualty Company was acquired by Jacobs Financial Group, Inc. (JFG) from The Celina Mutual Insurance Company (Celina). The acquisition was approved by the Insurance Commissioner of the State of West Virginia. Following the acquisition, the name of the Company was changed to First Surety Corporation.

A. Accounting Practices

The accompanying financial statements of First Surety Corporation are prepared on the basis of accounting practices prescribed or permitted by the West Virginia Office of the Insurance Commissioner.

The West Virginia Office of the Insurance Commissioner recognizes only statutory accounting practices prescribed or permitted by the State of West Virginia for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the West Virginia insurance law. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of West Virginia. The West Virginia Insurance Commissioner has the right to permit specific practices that deviate from prescribed practices.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of West Virginia is shown below:

	State of Domicile	2015	2014
NET INCOME			
(1) FIRST SURETY CORPORATION state basis (Page 4, Line 20, Columns 1 & 2)	WV	$ (762,295)	$ 232,337
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	WV	$ (762,295)	$ 232,337
SURPLUS			
(5) FIRST SURETY CORPORATION state basis (Page 3, line 37, Columns 1 & 2)	WV	$ 5,023,167	$ 5,848,580
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	WV	$ 5,023,167	$ 5,848,580

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Surety premiums are mostly earned pro rata over the term of the policies; however, certain flat rate policies and negotiated policies are earned up front when the policy is issued. Unearned premium reserves are established to cover the unexpired portions of premiums written. Such reserves are computed by monthly pro rata methods for direct business.

Certain premium receivables in excess of 90 days old, totaling $68,870 are excluded from admitted assets. Of this total, $63,883 is related to two principals which are in the process of making monthly payments toward the ultimate satisfaction of their obligation. During 2015, management wrote off $459,634 in receivables due to aging of the balance due, however, the Company believes that nearly all of these amounts will be recovered over time. Management feels that all remaining receivables over 90 days old are still collectible and therefore not written off. Management is reviewing its policy for aged receivables and will update the policy as a result. Generally, Management believes that it has available multiple tools for responding to any payment default by a surety bond principal that over time will produce payment of premium due by the principal and/or guarantors.

Expenses incurred in connection with acquiring new business, including such acquisition costs as commissions, underwriting expenses, and premium taxes, are charged to operations as incurred.

In addition the company uses the following accounting policies:

(1) Short-term investments are stated at amortized costs.

(2) Bonds not backed by other loans are stated at amortized cost using the interest method.
(3) Common Stocks are stated at market value as determined by custodians of the investment accounts.
(4) Preferred Stocks are traded on major exchanges in the US and are stated at fair value as determined by custodians of the investment accounts.
(5) The Company owns no mortgage loans.
(6) Loan-backed securities designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are stated at amortized cost. Loan-backed securities that are designated as medium quality, low quality, lowest quality and in or near default (NAIC designations 3 to 6, respectively) are stated at the lower of amortized cost or fair value. The Company's loan-backed securities consist of mortgage-backed government guaranteed securities and are stated at amortized cost using the retrospective adjustment interest method.
(7) The Company has no investments in stocks of affiliates.
(8) The Company has no investments in joint ventures, partnerships or limited liability companies.
(9) Derivatives in the form of written calls on common stock held in investment accounts (covered calls) are accounted for as liabilities and reported at fair value as determined by custodians of the investment accounts.
(10) The Company has no recorded premium deficiency reserves.
(11) Reserves for unpaid losses and loss adjustment expense are estimated using individual case-basis valuations and loss reports in conjunction with estimates derived from industry and company experience or losses incurred but not reported. Such reserves are necessarily based on assumptions and estimates and while management believes the reserve amounts are adequate, the ultimate liability may be in excess or less than the amount provided. These estimates and methods of establishing reserves are continually reviewed and updated and any adjustments are reflected in the period determined.
(12) The Company has not modified its capitalization policy from the prior period.

D. Going Concern

Management has no substantial doubt about the Company's ability to continue as a going concern.

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

None to report

NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method

None to report

B. Statutory Merger

None to report

C. Impairment Loss

None to report

NOTE 4 – DISCONTINUED OPERATIONS

A. Discontinued Operation Disposed or Classified as Held for Sale

None to report

B. Change in Plan of Sale of Discontinued Operation

None to report

C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal

None to report

D. Equity Interest Retained in the Discontinued Operation After Disposal

None to report

NOTE 5 – INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans

None to report

B. Debt Restructuring

None to report

C. Reverse Mortgages

None to report

D. Loan-Backed Securities

(1) Prepayment assumptions for loan-backed securities were obtained from broker dealer survey values and internal estimates. These assumptions are consistent with the current interest rate and economic environment.

(2) The Company had no securities that recognized an other-than-temporary impairment.

(3) The Company had no securities that recognized an other-than-temporary impairment.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.	The aggregate amount of unrealized losses:	1.	Less than 12 Months	$ 19,355
		2.	12 Months or Longer	$ 4,758
b.	The aggregate related fair value of securities with unrealized losses:	1.	Less than12 Months	$ 1,899,174
		2.	12 Months or Longer	$ 200,005

(5) Management has the ability and intent to hold all investments currently in a loss position until their maturity or until the security has a more favorable market value and believes that any impairments are not other-than-temporary.

E. Repurchase Agreements and/or Securities Lending Transactions

None to report

F. Real Estate

None to report

G. Investments in Low-Income Housing Trade Credits (LIHTC)

None to report

H. Other Disclosures and Unusual Items

(1) Restricted Assets (Including Pledged)

	Gross Restricted								Percentage	
	Current Period									
	1	2	3	4	5	6	7	8	9	10
	Total General Account (G/A)	G/A Supporting Protected Cell Restricted Assets (a)	Total Protected Cell Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Period Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown										
b. Collateral held under security lending arrangements										
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option										

contracts										
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock										
i. FHLB capital stock										
j. On deposit with state	1,166,567				1,166,567	1,179,504	(12,937)	1,166,567	8.450	8.663
k. On deposit with other regulatory bodies										
l. Pledged as collateral to FHLB (including assets backing funding agreements)										
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total Restricted Assets	$ 1,166,567	$	$	$	$ 1,166,567	$ 1,179,504	$ (12,937)	$ 1,166,567	8.450	8.663

(a) Subset of column 1
(b) Subset of column 3

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

None to report

(3) Detail of Other Restricted Assets

None to report

I. Working Capital Finance Investments

None to report

J. Offsetting and Netting of Assets and Liabilities

None to report

K. Structured Notes

None to report

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

None to report

NOTE 7 – INVESTMENT INCOME

A. Due and accrued income was excluded from surplus on the following basis; All investments income due and accrued with amounts that are over 90 days past due.

B. Amounts non-admitted; None to report

NOTE 8 – DERIVATIVE INSTRUMENTS

A. The Company uses derivatives in the form of covered call options sold to generate additional income.

These transactions expose the Company to potential market risk for which the Company received a premium up front. The market risk relates to the requirement to deliver the underlying security to the purchaser of the call within a definite time at an agreed price regardless of the then current price of the security. As a result the Company takes the risk that it may be required to sell the security at a price less than the then market price. Should the security decline in price the Company retains this risk which may be mitigated by a closing transaction for the covered call and sale of the underlying security.

The Company invests in large capitalized US securities traded on major US exchanges and writes standardized calls against these positions (covered calls), which are openly traded on major US exchanges. The use of such underlying securities and standardized calls lessens the credit risk to the furthest extent possible.

The Company is not exposed to significant cash requirements through the use of covered calls in that it sells a call for a premium and may use these proceeds to enter a closing transaction for the call at a later date.

B. The Company uses derivatives in the form of covered call options sold to generate additional income.

C. Proceeds received for selling a call option are carried in a deferred option account and reported as a liability until the option is exercised, expired, or is eliminated though a closing transaction. If the option is exercised, the proceeds received become part of the consideration received from the underlying security. If the option expires the consideration is treated as a realized capital gain. If the option is eliminated though a closing purchase transaction the consideration received less the cost of the closing purchase is treated as a capital gain or loss. The derivatives are accounted for at fair market value as are the underlying assets (common stock) that are covered by the derivative.

D. The Company recognized a net unrealized loss of $3,806 on derivatives for the year ended December 31, 2015. The Company recognized $27,182 in losses from closing transactions during the year ended December 31, 2015.

E. None to report

F. None to report

NOTE 9 – INCOME TAXES

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	$ 142,428	$	$ 142,428	$ 196,156	$	$ 196,156	$ (53,728)	$	$ (53,728)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	142,428		142,428	196,156		196,156	(53,728)		(53,728)
d. Deferred tax assets nonadmitted	56,711		56,711	55,449		55,449	1,261		1,261
e. Subtotal net admitted deferred tax asset (1c-1d)	85,718		85,718	140,707		140,707	(54,990)		(54,990)
f. Deferred tax liabilities									
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	$ 85,718	$	$ 85,718	$ 140,707	$	$ 140,707	$ (54,990)	$	$ (54,990)

2. Admission Calculation Components

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	$	$	$	$	$	$	$	$	$
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1									

and 2(b)2 below:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	85,718		85,718	140,707		140,707	(54,989)		(54,989)
Adjusted gross deferred tax assets allowed per limitation threshold									
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	85,718		85,718	140,707		140,707	(54,989)		(54,989)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	$ 85,718	$	$ 85,718	$ 140,707	$	$ 140,707	$ (54,989)	$	$ (54,989)

3. Other Admissibility Criteria

		2015	2014
a.	Ratio percentage used to determine recovery period and threshold limitation amount	16.180%	16.540%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 5,023,167	$ 5,848,580

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	12/31/15		12/31/14		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 142,428	$	$ 196,156	$	$ (53,728)	$
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 85,718	$	$ 140,707	$	$ (54,990)	$
4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the	%	%	%	%	%	%

impact of tax planning strategies						

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized – None to report

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2015	2 2014	3 (Col 1-2) Change
a. Federal	$ (411,798)	$ 19,517	$ (431,315)
b. Foreign			
c. Subtotal	$ (411,798)	$ 19,517	$ (431,315)
d. Federal income tax on net capital gains	2,051	23,027	(20,976)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	$ (409,747)	$ 42,545	$ (452,292)

2. Deferred Tax Assets

	1 2015	2 2014	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	$ 5,710	$ 5,024	$ 686
2. Unearned premium reserve	40,231	9,672	30,558
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets		805	(805)
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)	96,488	180,655	(84,167)
99. Subtotal	$ 142,428	$ 196,156	$ (53,728)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	56,711	55,449	1,261
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	$ 85,718	$ 140,707	$ (54,990)
e. Capital:			
1. Investments	$	$	$
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	$	$	$

f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)	$ 85,718	$ 140,707	$ (54,990)

3. Deferred Tax Liabilities

	1 2015	2 2014	3 (Col 1–2) Change
a. Ordinary:			
1. Investments	$	$	$
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax liabilities)			
99. Subtotal	$	$	$
b. Capital:			
1. Investments	$	$	$
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal			
c. Deferred tax liabilities (3a99+3b99)	$	$	$

4. Net Deferred Tax Assets (2i – 3c)	$ 85,718	$ 140,707	$ (54,990)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	$ (398,494)	(34.00%)
Proration of tax exempt investment income	(44,872)	(3.83%)
Tax exempt income deduction	-	-%
Dividends received deduction	-	-%
Disallowed travel and entertainment	568	0.05%
Other permanent differences	1,806	0.15%
Temporary Differences:		
Total ordinary DTAs	$ 84,972	7.25%
Total ordinary DTLs	-	-%
Total capital DTAs	-	-%
Total capital DTLs	-	-%
Other:		
Statutory valuation allowance adjustment	$ -	-%
Accrual adjustment – prior year	-	-%
Other	-	-%
Totals	$ (356,020)	(30.38%)
Federal and foreign income taxes incurred	(411,798)	(35.14%)
Realized capital gains (losses) tax	2,051	0.18%
Change in net deferred income taxes	53,727	4.58%

Total statutory income taxes	$ (356,020)	(30.38%)

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

The Company's tax return was filed with its parent with a fiscal year ended May 31st 2015. At December 31, 2015, all prior pro forma net operating loss tax carryforwards originating in 2006 in the amount of $77,217 were utilized in 2007. After May 31, 2015, non-controlling ownership changes in the Company will require the Company to file a separate tax return for the tax year ended May 31, 2016 and thereafter.

At December 31, 2015, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses:

Year	Amount
2015	$ (409,747)
2014	$ 42,545

As the Company filed a consolidated income tax return with other affiliates, the amount of carryback potential that may be considered in calculating the admitted deferred tax asset may not exceed the amount the Company could reasonably expect to have refunded by the parent. Accordingly, no federal income taxes recoverable through loss carrybacks were recorded in the determination of admitted deferred tax assets.

The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:
   - Jacobs Financial Group, Inc. (Parent)
   - Jacobs & Company
   - FS Investments, Inc.
   - Triangle Surety Agency, Inc.
   - Crystal Mountain Water, Inc.
2. The method of sharing of tax liability among the members of the group is determined by a written tax sharing agreement approved by the Board of Directors and the West Virginia Insurance Commissioner. Pursuant to the tax sharing agreement, the parent collects from, or refunds to, the Company and other members of the group the amount of taxes or benefits determined as if the Company and each other member of the group filed a separate return, provided that in the event of operating losses, the Company could utilize such loss or deduction on a stand-alone basis.

   After May 31, 2015, non-controlling ownership changes in the Company will require the Company to file a separate tax return for the tax year ended May 31, 2016.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A., B. & C. Nature of Relationship, Description and Dollar Amount of Transactions between Affiliates

On February 3, 2006, the Company entered into certain contracts with affiliated companies for specified services (refer to Item F. below). JFG is a West Virginia based holding company engaged in providing investment advisory and surety services which owns a controlling interest in the Company. Other subsidiaries of JFG which are wholly-owned include Jacobs & Company (J&C) and FS Investments, Inc. and its wholly-owned subsidiary, Triangle Surety Agency, Inc. (TSA).

Pursuant to the Consent Order, amended in June 2008, issued by the Insurance Commissioner of the State of West Virginia (Commissioner) for the acquisition of the Company by JFG, the parent agreed that any amounts received (by the parent) from the sale of its Series A Preferred stock will be placed into the surplus accounts of the Company.

D. The Company reported amounts due to affiliates of $19,828 and $60,619 as of December 31, 2015 and 2014 respectively. Remittances of amounts due JFG, TSA and J&C under the various agreements that have been in effect from time-to-time are generally settled within 30 days (See Item F. below).

E. No guarantees or undertakings have been taken for the benefit of an affiliate or related party.

F. The Company has a General Agency Agreement with TSA that was approved by the Insurance Commissioner of West Virginia with an effective date of June 1, 2007, whereby TSA receives commission on premium written in the amount of 15% on renewal business and 30% on new business written. Accordingly, all policies issued or renewed subsequent to May 31, 2007 are being directly underwritten by the Company.

The Company incurred expense in the aggregate amount of $234,281 and $241,331 under such agreements in 2015 and 2014 respectively.

On February 3, 2006, J&C was appointed as the Company's investment manager with respect to the company's investment accounts and was compensated based on established fee schedules.

The Company has an investment management agreement with J&C, approved by the West Virginia Insurance Commissioner, whereby the affiliate receives investment advisory fees based on established fee schedules. The Company incurred investment management expense pursuant to such agreement in the amount of $51,375 and $52,222 in 2015 and 2014, respectively.

The Company received approval by the Commissioner for an Expense Sharing Agreement among the parent company and its affiliates that specifically addressed cost allocations and reimbursement of expenses. This agreement was effective on June 1, 2007. Amounts paid by the Company under the Expense Sharing agreements amounted to $24,975 and $19,566 for the years ended December 31, 2015 and 2014.

JFG entered into a Tax Sharing Agreement with the Company and other affiliates effective January 1, 2006 as approved by the Commissioner. Refer to Note 9 - F Consolidated Tax Return for a description of this agreement. In 2015 and 2014, payments made to the parent under such Tax Sharing Agreement amounted to $80,529 and $73,906, respectively. After May 31, 2015, non-controlling ownership changes in the Company will require the Company to file a separate tax return for the tax year ended May 31, 2016, therefore the Tax Sharing Agreement between JFG and the Company will no longer apply.

G. A controlling number of shares of the Company are owned by JFG. Other subsidiaries of JFG which are wholly-owned include Jacobs & Company (J&C) and FS Investments, Inc. and its wholly-owned subsidiary, Triangle Surety Agency, Inc. (TSA).

H. The Company does not own shares of an upstream company.

I. The Company has no subsidiary, controlled or affiliated investment whose carrying value exceeds 10% of the admitted assets of the Company, as the Company has no such investments.

J. The Company did not recognize any impairment write-down for its investments in subsidiary, controlled or affiliated companies during the statement period, as the Company has no such investments.

K. The Company holds no investments in foreign insurance subsidiaries.

L. The company holds no investments in downstream noninsurance holding companies.

M. The Company has no subsidiary, controlled or affiliated investments.

N. The Company has no subsidiary, controlled or affiliated investments.

NOTE 11 – DEBT

None to report

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

None to report

NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

(1) The Company has 1,000 common shares authorized, issued and outstanding.

(2) The Company has no preferred stock outstanding.

(3) Under West Virginia Code, dividends to stockholders are allowed to be paid from that part of the Company's available surplus funds which were derived from realized net profits on the business, and whose fair market value of all dividends or distributions made within the preceding twelve months does not exceed the lesser of ten percent of the Company's surplus as regards policyholders as of the thirty-first of December next preceding or the net income from Company operations from the previous and second and third previous calendar years not including capital gains.

(4) In 2015 the Company declared and paid dividends to its stockholder (the parent company) in the aggregate amount of $173,000 consisting of $75,000 extraordinary dividends on February 11 and ordinary $98,000 on March 13. Since the extraordinary dividends of $75,00 were paid before the allowable date of payment and were not approved for payment by the West Virginia Insurance Commission, the Company was assessed a $5,000 penalty during 2015.

(5) See limitations set forth in 3. above.

(6) The laws of the State of West Virginia require the Company to have a minimum paid in capital of $1,000,000 and maintain additional surplus funds of at least $1,000,000.

(7) Mutual Surplus Advances: not applicable

(8) There is no stock of the Company or affiliated companies held for special purposes.

(9) There are no balances held in special surplus funds.

(10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: ($115,150)

(11) No surplus debentures or similar obligations exist.

(12) No quasi-reorganization has taken place.

(13) No quasi-reorganization has taken place.

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments – The Company has no contingent commitments to report.

B. Assessments - The Company has received notification of various insurance company insolvencies. Since January 2006, the Company no longer writes policies or receives premium of the nature that are subject to guaranty fund assessments, and thus no significant future assessments or additional liabilities are anticipated.

C. Gain Contingencies - The Company has no gain contingencies to report.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - The Company has no claims related extra contractual obligations or bad faith losses to report.

E. Product Warranties - The Company has no product warranty liabilities to report.

F. Joint and Several Liabilities – The Company has no joint and several liability arrangements.

G. All Other Contingencies

1. The Company received service on September 23, 2013 of a complaint filed in The Circuit Court of Kanawha County, West Virginia by Graphite Investment, LLC against the Company and its parent. The complaint relates to a Subscription Agreement among Graphite and the parent of the Company - the Company is not a party to the Subscription Agreement. The Company has filed its answer denying all material allegations and asserting its defenses. The case was dismissed during 2015 with prejudice.
2. The Company received service on October 1, 2014 of a complaint filed in The Circuit Court of Kanawha County, West Virginia by Omega Facility Services, Solutions & Surety, LLC, Jeffery R. Brown, Susan L. Brown against the Company and affiliated companies and officers. The complaint relates to a commercial surety transaction among the Company and the plaintiffs and alleges the Company and affiliates wrongfully induced the plaintiffs to enter into the commercial surety agreement and related agreements damaging the plaintiffs. The Company has filed its answer to the complaint and denies all substantive allegations and does not believe that this matter will have any adverse effect on the Company. As reported in Events Subsequent Note 22, this case has been settled and will be dismissed with prejudice.
3. During 2013, the Company and one of its surety principals entered into a contractual arrangement whereby the Company would hold collateral for use in paying future claims and expenses and upon the Company's determination that its liability had been fully extinguished, the Company would return the amount of the deposits less any paid claims or expenses. While the Company holds the collateral, the Company will pay 1.35% annual simple interest to the principal. The Company receives any appreciation and earnings in excess of the contractual deposit, less payments, and interest paid to the principal. This deposit and the earning or expenses associated with the deposit is not included in the calculation of the Company's investment income.

NOTE 15 – LEASES

A. Lessee Operating Lease

(1) The Company's office space is leased on a month-to-month basis under an arrangement through JFG whereby the cost incurred by JFG for the Company's office space is allocated to the Company for reimbursement. For some months in 2014 and 2015, the Company payed its allocated rent directly to the leaseholder, but that practice had been discontinued. Allocated and direct rent amounted to $11,473 and $10,500 for the years ended December 31, 2015 and 2014.

(2) Since all rental agreements are between JFG and the lessor, there are no minimum future rental commitments for the Company.

(3) There are no sale-leaseback transactions to report.

B. Revenue, Net Income or Assets with Respect to Leases - The Company has no lessor or leveraged leases.

NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

None to report.

NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

None to report.

NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS

None to report.

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

As stated in Note 10, the Company does not have a MGA and the Company has never had a Program Administrator. The Company entered into a general Agency Agreement with TSA whereby TSA receives commission on premium written in the amount of 15% on renewal business and 30% on new business written.

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premiums Written/ Produced By
Triangle Surety Agency - 300 Summers Street, Suite 970, Charleston WV 25301	55-0719768	YES	Surety	U	$ 1,353,262
Total	XXX	XXX	XXX	XXX	$ 1,353,262

NOTE 20 – FAIR VALUE MEASUREMENTS

A. Invested assets are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain of these invested assets and the level of uncertainty related to changes in the value of these assets, it is possible that changes in risks in the near term may significantly affect the amounts reported in the Consolidated Condensed Balance Sheets and Statements of Income.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the following fair value hierarchy in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

Fair market values are provided by the Company's independent investment custodians that utilize third-party quotation services for the valuation of the fixed-income investment securities and money-market funds held. The Company's investment custodians are large money-center banks.

The following section describes the valuation methodologies used to measure different financial instruments at fair value, including an indication of the level in the fair value hierarchy in which the instrument is generally classified.

Equity Securities
Level 1 includes publicly traded securities valued using quoted market prices.

Short-Term Investments
The valuation of securities that are actively traded or have quoted prices are classified as Level 1. These securities include money market funds and U.S. Treasury bills. Level 2 includes commercial paper, for which all significant inputs are observable.

Derivative Liabilities – Covered Calls
Level 1 includes publicly traded covered calls valued using quoted market prices.

(1) Fair Value Measurements at Reporting Date

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Equity Securities	$ 1,034,239	$	$	$ 1,034,239
Short Term Investments	3,788,375			3,788,375
Total	$ 4,822,614	$	$	$ 4,822,614

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
Fixed Income Securities	$ 32,821	$	$	$ 32,821
Total	$ 32,821	$	$	$ 32,821

There were no transfers between Level 1 and Level 2 during 2015.

(2) The Company had no assets or liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at December 31, 2015.

(3) There were no transfers between Levels during 2015.

(4) The Company had no assets or liabilities measured at fair value on a recurring basis in Level 2 or Level 3 at December 31, 2015.

(5) Derivative liabilities, in the form of covered calls, measured at fair value on a recurring basis are summarized below:

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
Fixed Income Securities	$ 32,821	$	$	$ 32,821
Total	$ 32,821	$	$	$ 32,821

There were no transfers between Level 1 and Level 2 during 2015. The Company had no assets or liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at December 31, 2015

B. Not applicable

C. The admitted asset value for all financial instruments, along with the aggregate fair value and level within the fair value hierarchy they fall are summarized below:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Fixed Income Securities	$ 7,378,672	$ 7,376,902	$	$ 7,378,672	$	$
Equity Securities	1,034,239	1,030,433	1,034,239			
Short Term investments	3,788,375	3,788,375	3,788,375			
Covered calls	32,821	29,015	32,821			

D. Not Practicable to Estimate Fair Value – Not applicable

NOTE 21 – OTHER ITEMS

A. Unusual or Infrequent Items

1. As a result of an Examination by the West Virginia Insurance Commissioner, a reserve strengthening in the form of an increase to the Loss Reserve was recorded in 2015 in the amount of $820,402.
2. The Company experienced a loss from uncollectible premiums charged off during 2015 in the amount of $459,634. As part of that transaction, the company also recorded forgiven commissions payable on those premiums receivable in the amount of $71,629.

B. Troubled Debt Restructuring Debtors – None to report

C. Other Disclosures

Assets in the amount of $1,166,567 and $1,179,504 at December 31, 2015 and 2014, respectively, were on deposit with government authorities or trustees as required by law or otherwise. There were no compensating balances or collateral pledged.

D. Business Interruption Insurance Recoveries – None to report

E. State Transferable and Non-Transferable Tax Credits – None to report

F. Subprime Mortgage Related Risk Exposure

(1) The Company's exposure to the subprime mortgage risk is minimal due to its investment in mortgage-backed securities having been limited primarily to those securities that are backed by the United States government (i.e. Government National Mortgage Association or GNMA securities). The Company also holds, from time-to-time, investment obligations issued by government-sponsored enterprises, Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC), and direct obligations issued by Federal Home Loan Bank (FHLB). Management recognizes that FNMA, FHLMC and FHLB may have exposure to subprime mortgage risk, and thus provide an indirect exposure to the Company. While default risk on such bonds appears minimal at this time, management has chosen to limit its exposure to such bonds and has no such investments.

Management believes that its greatest exposure is to unrealized losses from declines in asset values versus realized losses resulting from defaults or foreclosures. However by virtue of its investment primarily in U.S. government-backed GNMA securities, which provide monthly cash repayments, and other investments in short-term readily available US Government money-market investment funds, the Company's investment portfolio, as currently structured, provides significant cash availability which minimizes the likelihood of being forced to sell securities to raise cash. Accordingly, management's intent and ability to hold such securities until maturity minimizes the Company's exposure to losses that may otherwise be deemed to be other-than-temporary.

(2) Direct Exposure Through Investments in Subprime Mortgage Loans – None to report

(3) Direct Exposure Through Other Investments

		Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a.	Residential mortgage backed securities	$ 3,413,686	$ 3,413,686	$ 3,448,846	$
b.	Commercial mortgage backed securities				
c.	Collateralized debt obligations				
d.	Structured securities				
e.	Equity investments in SCAs*				
f.	Other assets				
g.	Total	$ 3,413,686	$ 3,413,686	$ 3,448,846	$

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage – None to report

G. The Company received no proceeds as the issuer, ceding insurer, or counterparty of insurance-linked securities as a way of managing risks related to directly-written insurance risks.

NOTE 22 – EVENTS SUBSEQUENT

Subsequent events have been considered through March 11, 2016 for the statutory annual statement issued on March 11, 2016.

The Company received service on October 1, 2014 of a complaint filed in The Circuit Court of Kanawha County, West Virginia by Omega Facility Services, Solutions & Surety, LLC, Jeffery R. Brown, Susan L. Brown against the Company and affiliated companies and officers. The Company filed its answer to the complaint and denies all substantive allegations and does not believe that this matter will have any adverse effect on the Company. This case was settled in 2016 and will be dismissed with prejudice.

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? Yes [ ] No [X]

B.	ACA fee assessment payable for the upcoming year	$	$
C	ACA fee assessment paid		
D.	Premium written subject to ACA 9010 assessment		
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 30)	5,023,167	
F.	Total adjusted capital (Five-Year Historical Line 30 minus 22B above)	5,023,167	
G.	Authorized control level after surplus adjustment (Five-Year Historical Line 31)	$ 354,941	

H. Would reporting the ACA assessment as of December 31, 2015 have triggered an RBC action level (YES/NO)? Yes [ ] No [x]

NOTE 23 – REINSURANCE

Effective April 1, 2009, FSC entered into a reinsurance contract with various syndicates at Lloyd's of London and one Bermuda based reinsurer ("Reinsurer") for its coal reclamation surety bonding programs. The agreement has been renewed annually for expanded surety bond business covered with various syndicates at Lloyd's of London, with the most recent renewal effective October 1, 2014 (through the extended period ending December 31, 2015). The reinsurance agreement is an excess of loss contract which protects the Company against losses up to certain limits over stipulated amounts. The contract calls for a premium rate of 35%, subject to a minimum premium of $490,000. Under the terms of this reinsurance contract, the Company is entitled to a No Claims Bonus from the reinsurers for each contract year in which no losses are discovered as defined in the contract. The bonus is 20% of the annual reinsurance premium and is to be recorded upon the completion of each contract year. For the contract year ended September 30, 2014 the Company recorded a No Claims Bonus of $98,000. For the contract year ended December 31, 2015 (a three month extension was agreed making the contract year cover October 1, 2014 through December 31, 2015), the Company did not record a No Claims Bonus due to the recording of a claim reserve in excess of the minimum amount specified in the contract. As a result the No Claims Bonus may be available at a later date depending on the outcome of the claim.

Deposits are made to the reinsurers quarterly in arrears in equal amounts of $140,000. The Company recorded $490,000 of ceded premium written at October 1, 2014 and $42,889 of ceded premium written during 2015. This amount is reflected on the balance sheet as $27,111 deposits receivable form reinsurers, which is the total amount of the deposits from the contract year of $560,000 less the total ceded written during the contract period $532,889.

A. Unsecured Reinsurance Recoverables – None to report

B. Reinsurance Recoverable in Dispute – None to report

C. Reinsurance Assumed and Ceded - The Company had no known return commissions on unearned premiums that would be due the reinsurers if they or the Company had cancelled all of the Company's reinsurance as of December 31. The Company does not assume reinsurance. The Company has no additional or return commissions accrued predicated on loss experience or any other form of profit sharing arrangements.

(1)

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	$	$	$	$	$	$
b.	All Other			219,070		(219,070)	
c.	Total	$	$	$ 219,070	$	$ (219,070)	$
d.	Direct Unearned Premium Reserves			$			

D. Uncollectible Reinsurance The Company had no uncollectible reinsurance written off during the year.

E. Commutation of Ceded Reinsurance - The Company had one loss discovered (claim) as defined in its reinsurance contract for the contract year ended December 31, 2015, and upon renewal of the reinsurance covering all new and renewal business the Company did not execute a Commutation Agreement and did not received a No Claims Bonus for the contract year ended December 31, 2015. However, the No Claims Bonus may be available at a later date depending on the outcome of the claim.

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1)	Losses incurred	$
(2)	Loss adjustment expenses incurred	$
(3)	Premiums earned	$
(4)	Other	$
(5)	Company	Amount
		$

F. Retroactive Reinsurance - The Company had no retroactive reinsurance agreements during the year.

G. Reinsurance Accounted for as a Deposit – The Company has no reinsurance agreements that have been recorded as a deposit.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements– The Company has no agreements to receive property and casualty runoff accounting treatment.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation – not applicable

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

None to report.

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Since its acquisition at December 31, 2005, the Company has experienced two claims for paid losses (one in 2014 and one in the current year) and is currently investigating circumstances regarding eight surety bonds. In August 2015, the Company paid a claim on a called bond in the amount of $550,000, of which $75,000 was paid using collateral of the principal. The remaining $475,000 has been established as a salvage reserve to be repaid with an assignment of proceeds from sales of stock and an assignment of a promissory note as additional collateral with a total value in excess of the salvage reserve.

As a result of an Examination by the West Virginia Insurance Commissioner, a reserve strengthening in the form of an increase to the Loss Reserve was recorded in 2015 in the amount of $820,402.

Accordingly, the Company's current year provision for loss and loss adjustment expenses are based upon adoption of the Examination's $820,402 reserve strengthening recommendation and an increase in the Company's reserve for bulk IBNR to 20% of gross premium beginning December of 2015. Such loss ratios have been established with the assistance of consulting actuaries and are continually reviewed and updated based on both industry and Company historical experience.

At December 31, 2015 and December 31, 2014, the reserve for net unpaid losses consisted of:

	December 31, 2015	December 31, 2014
Direct unpaid losses – case basis	$ 1,188,000	$ -
Reserve for incurred but not reported	713,742	1,390,383
	$ 1,901,742	$ 1,390,383

The Company had no reserves for unpaid loss adjustment expenses as of December 31, 2015 and December 31, 2014.

Changes in the Company's reserve for net unpaid loss for the year ended December 31, 2015 and the year ended December 31, 2014 are as follows:

	December 31, 2015	December 31, 2014
Reserve for unpaid losses – beginning of year	$ 1,390,383	$ 1,309,743
Amounts incurred in current year:		
On current year losses	165,957	163,707
On prior year losses	820,402	-
Total incurred	986,359	163,707
Amounts paid in current year:		
On current year losses	(475,000)	(83,067)
On prior year losses	-	-
Total paid	(475,000)	(83,067)
Reserve for unpaid losses, end of year	$ 1,901,742	$ 1,390,383
Reinsurance recoverable on known case loss reserves	(84,700)	-
Reserve for net unpaid losses, end of year	$ 1,817,042	$ 1,390,383

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

None to report

NOTE 27 – STRUCTURED SETTLEMENTS

None to report

NOTE 28 – HEALTH CARE RECEIVABLES

None to report

NOTE 29 – PARTICIPATING POLICIES

None to report

NOTE 30 – PREMIUM DEFICIENCY RESERVES

None to report

NOTE 31 – HIGH DEDUCTIBLES

None to report

NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

None to report

NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES

None to report

NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS

None to report

NOTE 35 – MULTIPLE PERIL CROP INSURANCE

None to report

NOTE 36 – FINANCIAL GUARANTY INSURANCE

None to report

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? West Virginia

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/30/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/30/2011

3.4 By what department or departments?
Insurance Commissioner of the State of West Virginia

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums of:

4.21 sales of new business? Yes [X] No [ ]

4.22 renewals? Yes [X] No [ ]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
To be determined

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ ] No [X] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:
The Company is part of a holding company system which is Sarbanes Oxley compliant and therefore an audit committee is not required.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Brett E. Miller, FCAS, MAAA, FCA, ARM Consulting Actuary with firm of Merlinos & Associates 3274B Medlock Bridge Drive, Norcross, GA 30328

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved 0

12.13 Total book/adjusted carrying value $ 0

12.2 If yes, provide explanation

13. **FOR UNITED STATES BRANCES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers $ 0

20.23 Trustees, supreme or grand (Fraternal only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others $ 0

21.22 Borrowed from others $ 0

21.23 Leased from others $ 0

21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $ 0

22.22 Amount paid as expenses $ 0

22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No [ ]

24.02 If no, give full and complete information, relating thereto:

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.103 Total payable for securities lending reported on the liability page: $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No [ ]

25.2 If yes, state the amount thereof at December of the current year:

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 0
25.28	On deposit with states	$ 1,166,567
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$ 0
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [X] No [ ]

27.2 If yes, state the amount thereof at December of the current year: $ 93,810

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No [ ]

28.01 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Citibank, N.A.	111 Wall Street, 14th Floor, New York, NY 10043
Wellington, Shields, and Company	140 Broadway, 44th Floor, New York, NY 10005

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
109133	Jacobs and Company	300 Summers Street, Suite 970, Charleston WV 25301
11053	Wellington, Shields, and Company	140 Broadway, 44th Floor, New York, NY 10005

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	11,165,277	11,167,047	1,770
30.2	Preferred Stocks	93,810	93,810	0
30.3	Totals	11,259,087	11,260,857	1,770

30.4 Describe the sources or methods utilized in determining fair values:
Fair market values are provided by the Company's independent investment custodians that utilize third-party quotation services for the valuation of the fixed-income investment securities and money-market funds held.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 12,232

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
The Surety and Fidelity Association of America	$ 9,046

34.1 Amount of payments for legal expenses, if any? $ 55,494

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Rsoe Law Firm	$ 35,228
Steptoe & Johnson	16,831

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ] No [X]
1.2	If yes, indicate premium earned on U.S. business only.	$ 0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	$ 0
	1.31 Reason for excluding:	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	$ 0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	$ 0
1.6	Individual policies:	
	Most current three years:	
	1.61 Total premium earned	$ 0
	1.62 Total incurred claims	$ 0
	1.63 Number of covered lives	0
	All years prior to most current three years:	
	1.64 Total premium earned	$ 0
	1.65 Total incurred claims	$ 0
	1.66 Number of covered lives	0
1.7	Group policies:	
	Most current three years:	
	1.71 Total premium earned	$ 0
	1.72 Total incurred claims	$ 0
	1.73 Number of covered lives	0
	All years prior to most current three years:	
	1.74 Total premium earned	$ 0
	1.75 Total incurred claims	$ 0
	1.76 Number of covered lives	0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 0	$ 0
2.2	Premium Denominator	$ 896,742	$ 899,196
2.3	Premium Ratio (2.1/2.2)		
2.4	Reserve Numerator	$ 0	$ 0
2.5	Reserve Denominator	$ 2,249,034	$ 1,408,744
2.6	Reserve Ratio (2.4/2.5)		

3.1	Does the reporting entity issue both participating and non-participating policies?	Yes [ ] No [X]
3.2	If yes, state the amount of calendar year premiums written on:	
	3.21 Participating policies	$ 0
	3.22 Non-participating policies	$ 0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:	
	4.1 Does the reporting entity issue assessable policies?	Yes [ ] No [ ]
	4.2 Does the reporting entity issue non-assessable policies?	Yes [ ] No [ ]
	4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	%
	4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	$ 0
5.	FOR RECIPROCAL EXHANGES ONLY:	
	5.1 Does the exchange appoint local agents?	Yes [ ] No [ ]
	5.2 If yes, is the commission paid:	
	5.21 Out of Attorney's-in-fact compensation	Yes [ ] No [ ] N/A [ ]
	5.22 As a direct expense of the exchange	Yes [ ] No [ ] N/A [ ]
	5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	
	5.4 Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?	Yes [ ] No [ ]
	5.5 If yes, give full information:	

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

Not applicable; no such policies have been issued and Company policy prohibits the issuance of policies that do not have fixed limits of exposure to loss.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

Reserves for unpaid losses and loss adjustment expense are estimated by manangement using individual case-basis valuations in conjunction with estimates derived from industry and company experience. Such estimates are further validated by consultation with outside consulting actuaries. The Company's predominate exposure to loss is surety bonds written for the coal industry in West Virginia and Ohio. Outside independent reports are obtained from knowledgeable consultants who assess the potential liability associated with the issuance of the policy, and continually monitor the potential liability throughout the life of the policy. Based on this and management's assessment, the Company will establish the amount of liquid versus marketable collateral to be pledged as collateral for the policy to mitigate the Company's exposure to loss.

6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

Company policy limits the amount of uncollateralized exposure to loss (based on these independent riskand management assessments) for any one "risk unit". In addition, the Company carries reinsurance in excess of $300,000 and collateral subject to a limit of $1,200,000 on any one surety bond.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:

Company policy limits the amount of uncollateralized exposure to loss (based on iindependent riskand management assessments) for any one "risk unit". In addition, the Company carries reinsurance in excess of $300,000 and collateral subject to a limit of $1,200,000 on any one surety bond. or per principal limit if $4,800,000 in excess of $1,890,000 subject to maximum recovery of $4,800,000 or 345% of premium.

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [X]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $ 0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From %

12.42 To %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

12.6 If yes, state the amount thereof at December 31 of current year:

12.61 Letters of Credit $ 0

12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 600,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

		1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11	Home	$ 0	$ 0	$ 0	$ 0	$ 0
16.12	Products	$ 0	$ 0	$ 0	$ 0	$ 0
16.13	Automobile	$ 0	$ 0	$ 0	$ 0	$ 0
16.14	Other*	$ 0	$ 0	$ 0	$ 0	$ 0

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 $ 0

17.12 Unfunded portion of Interrogatory 17.11 $ 0

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 $ 0

17.14 Case reserves portion of Interrogatory 17.11 $ 0

17.15 Incurred but not reported portion of Interrogatory 17.11 $ 0

17.16 Unearned premium portion of Interrogatory 17.11 $ 0

17.17 Contingent commission portion of Interrogatory 17.11 $ 0

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 $ 0

17.19 Unfunded portion of Interrogatory 17.18 $ 0

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 $ 0

17.21 Case reserves portion of Interrogatory 17.18 $ 0

17.22 Incurred but not reported portion of Interrogatory 17.18 $ 0

17.23 Unearned premium portion of Interrogatory 17.18 $ 0

17.24 Contingent commission portion of Interrogatory 17.18 $ 0

18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. $ 0

18.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date. $ 0

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,353,262	1,352,720	1,248,077	1,130,016	1,447,397
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	1,353,262	1,352,720	1,248,077	1,130,016	1,447,397
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,310,373	862,720	758,077	640,016	932,869
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	1,310,373	862,720	758,077	640,016	932,869
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(707,174)	163,502	126,768	161,217	331,791
14. Net investment gain (loss) (Line 11)	234,235	226,642	128,083	265,090	241,793
15. Total other income (Line 15)	(701,154)	(138,289)	5,938		(39,433)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(411,798)	19,517	62,413	76,092	155,695
18. Net income (Line 20)	(762,295)	232,338	198,376	350,214	378,455
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	13,381,015	10,252,584	10,162,169	7,814,406	7,958,843
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	27,170	33,197	32,001	2,147	157,468
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	8,357,848	4,404,004	4,093,659	1,771,868	1,657,996
22. Losses (Page 3, Line 1)	1,817,042	1,390,383	1,309,743	1,139,409	936,818
23. Loss adjustment expenses (Page 3, Line 3)					
24. Unearned premiums (Page 3, Line 9)	431,992	18,361	54,837	51,826	259,907
25. Capital paid up (Page 3, Lines 30 & 31)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	5,023,167	5,848,580	6,068,509	6,042,539	6,300,847
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(220,642)	100,028	568,719	625,840	495,603
Risk-Based Capital Analysis					
28. Total adjusted capital	5,023,167	5,848,580	6,068,509	6,042,539	6,300,847
29. Authorized control level risk-based capital	354,941	353,591	279,874	285,607	291,573
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	58.2	68.9	58.8	80.7	89.2
31. Stocks (Lines 2.1 & 2.2)	8.1	12.0	4.4	6.0	6.0
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	33.7	19.1	36.7	13.3	4.8
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivable for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above lines 42 to 47	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0				

FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(85,048)	(40,607)	42,346	16,669	(48,511)
52. Dividends to stockholders (Line 35)	(173,000)	(198,000)	(325,000)	(645,000)	
53. Change in surplus as regards policyholders for the year (Line 38)	(825,413)	(219,929)	25,971	(258,309)	269,576
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	475,000	83,067			
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	475,000	83,067	0	0	0
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	475,000	83,067			
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	475,000	83,067	0	0	0
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	100.5	18.2	22.6	23.9	22.7
68. Loss expenses incurred (Line 3)					
69. Other underwriting expenses incurred (Line 4)	78.3	74.5	73.6	68.7	64.6
70. Net underwriting gain (loss) (Line 8)	(78.9)	18.2	16.8	19.0	35.5
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	107.1	82.3	59.6	75.7	46.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	100.5	18.2	22.6	23.9	22.7
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	26.1	14.8	12.5	10.6	14.8
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	1				
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100)	0.0				
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(1,310)				
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(21.6)				

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported- Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX								0	XXX
2. 2006	239		239								0	XXX
3. 2007	345		345								0	XXX
4. 2008	604		604								0	XXX
5. 2009	878	121	757								0	XXX
6. 2010	1,203	392	811								0	XXX
7. 2011	1,432	497	935								0	XXX
8. 2012	1,377	529	848								0	XXX
9. 2013	1,154	399	755								0	XXX
10. 2014	1,387	488	899	83							83	XXX
11. 2015	1,320	423	897	475							475	XXX
12. Totals	XXX	XXX	XXX	558	0	0	0	0	0	0	558	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total	Number of
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Net Losses and Expenses Unpaid	Claims Outstanding- Direct and Assumed
1. Prior												0	XXX
2. 2006												0	XXX
3. 2007												0	XXX
4. 2008												0	XXX
5. 2009												0	XXX
6. 2010												0	XXX
7. 2011												0	XXX
8. 2012												0	XXX
9. 2013												0	XXX
10. 2014	1,054		337									1,391	XXX
11. 2015	134	85	377								475	426	XXX
12. Totals	1,188	85	714	0	0	0	0	0	0	0	475	1,817	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 2006	0	0	0	0.0	0.0	0.0				0	0
3. 2007	0	0	0	0.0	0.0	0.0				0	0
4. 2008	0	0	0	0.0	0.0	0.0				0	0
5. 2009	0	0	0	0.0	0.0	0.0				0	0
6. 2010	0	0	0	0.0	0.0	0.0				0	0
7. 2011	0	0	0	0.0	0.0	0.0				0	0
8. 2012	0	0	0	0.0	0.0	0.0				0	0
9. 2013	0	0	0	0.0	0.0	0.0				0	0
10. 2014	1,474	0	1,474	106.3	0.0	164.0				1,391	0
11. 2015	986	85	901	74.7	20.1	100.4				426	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,817	0

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior											0	0
2. 2006	72	72	72	72	72	72	72	72	72		(72)	(72)
3. 2007	XXX	103	103	103	103	103	103	103	103		(103)	(103)
4. 2008	XXX	XXX	181	181	181	181	181	181	181		(181)	(181)
5. 2009	XXX	XXX	XXX	191	191	191	191	191	191		(191)	(191)
6. 2010	XXX	XXX	XXX	XXX	178	178	178	178	178		(178)	(178)
7. 2011	XXX	XXX	XXX	XXX	XXX	212	212	212	212		(212)	(212)
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	203	203	203		(203)	(203)
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	170	170		(170)	(170)
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	163	1,474	1,311	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	901	XXX	XXX
										12. Totals	1	(1,310)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior	000										XXX	XXX
2. 2006											XXX	XXX
3. 2007	XXX										XXX	XXX
4. 2008	XXX	XXX									XXX	XXX
5. 2009	XXX	XXX	XXX								XXX	XXX
6. 2010	XXX	XXX	XXX	XXX							XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	83	83	XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	475	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Prior										
2. 2006	72	72	72	72	72	72	72	72	72	
3. 2007	XXX	97	97	97	97	97	97	97	97	
4. 2008	XXX	XXX	175	175	175	175	175	175	175	
5. 2009	XXX	XXX	XXX	183	183	183	183	183	183	
6. 2010	XXX	XXX	XXX	XXX	154	154	154	154	154	
7. 2011	XXX	XXX	XXX	XXX	XXX	187	187	187	187	
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	170	170	170	
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	139	136	
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46	337
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	377

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
States, Etc.	Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	N								
8. Delaware DE	N								
9. District of Columbia DC	N								
10. Florida FL	N								
11. Georgia GA	N								
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	N								
15. Indiana IN	N								
16. Iowa IA	N								
17. Kansas KS	N								
18. Kentucky KY	N								
19. Louisiana LA	N								
20. Maine ME	N								
21. Maryland MD	N								
22. Massachusetts MA	N								
23. Michigan MI	N								
24. Minnesota MN	N								
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	N								
31. New Jersey NJ	N								
32. New Mexico NM	N								
33. New York NY	N								
34. North Carolina NC	N								
35. North Dakota ND	N								
36. Ohio OH	L	183,792	127,579			28,296	132,157		
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	N								
40. Rhode Island RI	N								
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	N								
44. Texas TX	N								
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	N								
48. Washington WA	N								
49. West Virginia WV	L	1,169,470	769,163		475,000	958,063	1,769,584		
50. Wisconsin WI	N								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. US Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 2	1,353,262	896,742	0	475,000	986,359	1,901,742	0	0

DETAILS OF WRITE-INS

58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

Allocation based on actual amounts

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

ORGANIZATIONAL CHART
Jacobs Financial Group, Inc.

Jacobs Financial Group, Inc.
84-0922355
(JFG)

Jacobs & Company
55-0681702
(100% Owned by JFG)

First Surety Corporation
34-1296403
38504
WV
(85% Owned by JFG)

FS Investments, Inc.
55-0763124
(100% Owned by JFG)

Triangle Surety Agency, Inc.
(100% Owned by FS Investments, Inc.)

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